



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

January 18, 2001

TO: All County Assessors

FROM: David M. Saavedra, Personal Property Program Manager and
Neal R. Cook, MAI, Personal Property Specialist
Property Tax Division

SUBJECT: 2001 PERSONAL PROPERTY VALUATION GUIDELINES

Enclosed are the 2001 Personal Property Valuation Indicators and Index. These valuation indicators are published as a guide to assist counties in estimating 2001 assessed values for tangible personal property. The Department of Revenue (DOR) recommends that these guidelines be considered in the valuation process, believing their use will improve statewide standardization in the assessment of personal property.

To use these guidelines:

1. Refer to the alphabetical Index for the class of property.
2. For identified classes of property, the Index will refer you to the appropriate column of the Valuation Indicator table.
3. The multiplier appearing in the column corresponding with the acquisition year multiplied by the original cost provides an estimated value as of January 1, 2001. The original cost listed by the taxpayer should include freight and installation, trade-in value, and any other cost related to putting the equipment into service, excluding sales tax.

Items Marked With Asterisks

The Personal Property Valuation Indicators may not be applicable in all instances in achieving the statutory mandate of 100% true and fair value. These valuation indicators are published as a guide in estimating market value, but they do not include any consideration for abnormal or extraordinary obsolescence that may be relevant in specific circumstances or markets. When unique situations are identified, these factors should be considered separately and in addition to

the value indications of the tables. Based on information available to the Department of Revenue at the time these tables were published, property classes listed in the Index which may require special consideration due to abnormal or extraordinary circumstances have been noted with a **single asterisk (*)**.

Some properties in the Index are shown with a **double asterisk (**)**. It is our opinion that these properties, in their entirety, are best valued using the Industrial Valuation Schedules.

Other properties in the Index are shown with a **triple asterisk (***)**. This indicates the existence of more complex issues, such as determining which components are personal property, real property, or machinery & equipment that should be valued by using the Industrial Valuation Schedules. The determinations made in using this schedule require the appraiser's or auditor's professional judgement, and is based on the use and expected economic life of the equipment. Physical inspection of this machinery & equipment is highly recommended.

Also, note that several changes have been made to the Index to Personal Property Valuation Indicators for 2001. These changes are based on internal DOR studies and are noted below:

- Personal computers, including desktop and laptop personal computers and all the connected hardware, are now indicated as a column "40" item. This change is recommended because separation of the CPU from all the other hardware proved to be unmanageable. Keep in mind that mainframe computers, disk array and other storage devices, and network servers remain as column "30" items (although the desktop computers involved in the network would be valued using column "40").
- Items formerly listed with the triple asterisks (***) have been clarified to make it easier to determine when to use the Personal Property Valuation Indicators or the Industrial Valuation Schedules. Included business types or activities that have been clarified are:
 - Feed Mill M&E
 - Seed Cleaning M&E
 - Aircraft Manufacturing
 - Marine Construction Ships and Vessels Equipment
 - Fish Processing M&E
 - Machine Shop Equipment
 - Metal Fabrication & Extrusion Manufacturing
 - Metal Sheet Fabrication
 - Winery Equipment

A Supplemental Valuation Schedule A is also provided on the last page of the Index for video games, wine barrels, videotapes and laser disks, billboards and poster panels, title plants, and computer software.

How to Estimate Value When Provided With A Sale Price on Used Equipment

The underlying assumption in the application of these tables is that the original cost (the cost to the present owner) is the same as the historical cost (cost when new to the first owner), but that is not always the case.

If the historical cost is unknown, it is possible to adjust the original cost to an estimate of historical cost new when used equipment/property is acquired. Historical cost can be estimated by multiplying the original cost by the trend of the year of acquisition and then dividing that amount by the percent good factor for the year built.

For example: Suppose a used golf cart is purchased by a golf course for \$1,000 in 1999.

- The Index indicates use of a column 20. If the cost new (historical) was \$3,500 in 1995, the value for 2001 would be 28% of \$3,500 or \$980. The minimum value to this first owner would never drop below \$700, 20% of \$3,500, while the property was in use.
- However, the new owner paid \$1,000 in 1999 and reported that sale or original cost for the 2001 assessment. The indicator for a 1999 original cost is 64.4% using column 20, or \$644 for the 2001 assessment year, and the value will eventually be reduced to \$200, 20% of \$1,000, unless the historical cost is used.
- If historical cost is not known, the original cost of \$1,000 should be multiplied by the 1999 trend of 100.6% to arrive at the 2001 trended cost of \$1,006. This is divided by the 1995 percent good factor of 28% to arrive at an estimated cost new, which can then be used for determining the assessed value for 2001 and subsequent years, $\$1,006 \div 28\% = \$3,593$.

It may also be appropriate to consider the original cost as the assessed value and not make an adjustment. When the property/equipment is acquired as used, the property/equipment and the value had been or would have been assessed to the former owner at the 20% minimum/residual value (8% for PCs). There is no need to depreciate the original cost reported by the current owner. The original cost is already a value that represents 20% of the historical cost. By keeping this in mind, you will avoid depreciating the property further when it is already fully depreciated to its minimum value in use.

For example: If a nine-year-old golf cart was purchased for \$700 and the historical cost was \$3,500, it wouldn't make sense to depreciate the golf cart down to \$140, 20% of \$700, over the succeeding years. The golf cart should be placed on the rolls at \$700 and left that way until it is no longer in service.

Original cost should not be the basis of any assessment when the original cost does not reflect the market value of the property, such as when a company places an allocation of a sale price that

includes other assets/property on their books and reports that as the original cost. This happens most frequently when an acquisition includes a company with multiple locations and often involves the purchase of tangible and intangible personal and real property. Ideally, the historical cost information from the prior owner is used to estimate the assessed value rather than the original cost reported by the new owner.

What If I Have Questions?

Any questions regarding the schedules or other personal property tax issues may be directed to:

Name	Title	Phone Number	E-Mail Address
Neal Cook	Personal Property Specialist	(360) 570-5881	NealC@dor.wa.gov
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David Saavedra	Personal Property Program Manager	(360) 570-5861	DavidS@dor.wa.gov

The Personal Property Valuation Indicators are posted on the Department's website at www.dor.wa.gov. The Indicators can be accessed by clicking, **Property Taxes** (located on the left-hand side of the page), then **Publications**, and then choose the **Personal Property Valuation Indicators** for 2001. The Indicators are available in PDF format.

DMS/NRC:slc
Enclosures

For January 1, 2001 Valuations

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INDEX TO PERSONAL PROPERTY VALUATION INDICATORS

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BUSINESS ACTIVITY OR TYPE OF BUSINESS

	Column		Column
Coin-Op Lockers	16	- D -	
Coin-Op Machines	24		
Computer Systems (Business)		Dairy Milking M&E	14
<i>Lotto Machines</i>	30	Dairy Processing	**
<i>Main Frame Computers, Disk Array and other Storage</i>		Data Processing Equipment	30
<i>Devices, and Network servers</i>	30	Dental	
Personal Computers (Including desktop and/or laptop		<i>Equipment</i>	14
computers and peripheral/connected hardware. E.g.		<i>Furniture & Fixtures</i>	14
Scanner, printer and multifunction digital		<i>Libraries</i>	12
printer/scanner/fax machine combo. Etc.)	40	<i>X-Ray Equipment</i>	18
<i>Canned Software</i>	A	Department Store F&F	16
<i>Custom Software</i>	A	Dies & Molds	18
<i>Production Systems Computers (with direct electronic</i>		<i>Electronic Mfg.</i>	24
<i>link to longer lived equipment.)</i>	24	<i>Patterns</i>	24
Computer Numeric Controlled (CNC) Milling		Dispensing Machinery (Coin-Op)	24
Machines	14	Distilling & Brewing	**
Construction M&E		Doctors	
<i>Cranes</i>		<i>Equipment</i>	14
<i>Bridge</i>	8	<i>Furniture</i>	14
<i>Crawler</i>	10	<i>Libraries</i>	12
<i>Mobile Telescopic</i>	16	<i>Diagnostic Equipment (CT, MRI, Ultrasound, etc.)</i>	24
<i>General Construction</i>	16	<i>X-Ray</i>	12
<i>Asphalt Plants</i>		Drug Store F&F	16
<i>Portable</i>	18	Dry Cleaning & Laundry M&E	
<i>Stationary</i>	12	<i>Coin-Op</i>	24
<i>Land Clearing</i>	16	<i>Other Than Coin-Op</i>	14
<i>Licensed Vehicles Not Subject to Vehicle</i>		Dumpsters, Garbage	16
<i>Excise Tax</i>	16	- E -	
<i>Marine Construction</i>		Electrical Generating	
<i>Ships & Vessels (production line)</i>	***	<i>Gas & Diesel</i>	16
<i>Ships & Vessels (portable equipment)</i>	12	<i>Steam</i>	**
<i>Pleasure Craft</i>	12	Electrical Mfg. M&E	12
<i>Boat Molds</i>	22	Electronic Equip	24
<i>Road Construction (Heavy)</i>	22	Electronic Mfg. Equip.	24
<i>Rock Crushing</i>		Espresso Carts	24
<i>Portable</i>	18	Extrusion M&E	**
<i>Stationary</i>	12	- F -	
<i>Sewer & Utilities</i>	16	Farm Equipment	(See Agriculture)
<i>Well Drilling</i>	16	Fax Machines	30
Container Mfg. M&E	**	Feed Mill M&E (production line)	***
Coolers (walk-in)	12	<i>Feed Mill M&E (portable)</i>	12
Copy Machines (Purchased)	28	Fertilizer Applicators	24
Costumes (Rental)	24	Fertilizer Mfg.	**
Cranes		Fiberglass Molds (other than boats)	22
<i>Bridge</i>	8	Fish Processing M&E (production line)	***
<i>Container</i>	*8		
<i>Crawler</i>	10		
<i>Mobile Telescopic</i>	16		

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BUSINESS ACTIVITY OR TYPE OF BUSINESS

	Column		Column
Fish Processing M&E (portable)	12	- J -	
Fitness Equipment			
<i>Manual</i>	16	Janitorial Service Equipment	20
<i>Electronic</i>	24	Jewelry Store F F and Equip.	16
Flour, Cereal & Grain Milling	**		
Food Processing	**	- K -	
Forklifts		Key Duplication	16
<i>Inside</i>	14		
<i>Outside</i>	16	- L -	
Foundry	**		
Fraternal Lodges	14	Laboratories	
- G -		<i>Diagnostic</i>	24
		<i>Equipment (Nonelectric)</i>	18
Garage M&E	18	<i>Equipment (Electronic & Computerized)</i>	24
Garbage Dumpsters	16	Landscaping M&E	16
General Contractor M&E	16	Laundry & Dry Cleaning	
Golf Courses		<i>Coin-Op</i>	24
<i>Carts</i>	20	<i>Other Than Coin-Op</i>	14
<i>Equipment</i>	18	Law Libraries	12
<i>Tractors</i>	12	Leather Products Mfg. M&E	8
Greenhouse & Nursery M&E	16	Libraries (Professional)	12
Grocery Stores		Lift Trucks	(See Forklift)
<i>Cash Registers & Scanners</i>	24	Lotto Machines	30
<i>Fixtures & Equipment</i>	16	Lumber & Wood Products	
<i>Meat Packing</i>	12	<i>Logging M&E</i>	18
<i>POS (Point of Sale Computer Systems)</i>	30	<i>Log Stackers</i>	18
<i>Walk-in Coolers</i>	12	<i>Pulp, Paper & Paperboard</i>	**
- H -		<i>Plywood & Veneer</i>	**
		<i>Scarifying M&E</i>	18
Hardware Store F&F	16	<i>Sawmills</i>	
Hatchery M&E	16	<i>Portable</i>	14
Health Spa Equip.		<i>Stationary</i>	**
<i>Manual</i>	16	- M -	
<i>Electronic</i>	24		
Hospitals		Machine Shop M&E (production)	***
<i>Equipment</i>	16	Machine Shop M&E (not part of production line,	
<i>Diagnostic Equipment(CT,MRI,Ultrasound,etc)</i>	24	such as lathes)	12
<i>Laboratory Equip. (Nonelectric)</i>	18	Mailing Machines	20
<i>Laboratory Equip. (Electronic & Computerized)</i>	24	Meat Packing M&E	12
<i>Mattresses</i>	30	Meat Processing (Complex)	**
<i>X-Ray</i>	12	Medical Equipment	14
- I -		Metal Fabrication & Extrusion Mfg.	***
		Metal Sheet Fabrication (production line	***
Ice Cream Cabinets	16	Metal Sheet Fabrication (not part of production line)	12
Ice & Refrigeration Machinery	**	Milling Machines - Computer	
Iron & Steel Industry	**	Numeric Controlled (CNC)	14
		Mining & Milling	**
		Mobile Yard Equipment	16

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BUSINESS ACTIVITY OR TYPE OF BUSINESS

	Column		Column
Mortuary Service Equip.	14	Plumbing Shop Equipment	16
Motels		Plywood & Veneer Mfg.	**
<i>Furniture & Equipment</i>	19	Pool Hall Equipment	14
<i>Office</i>	(See Office)	Power & Generation M&E	
<i>Restaurant & Bar Equipment</i>	19	<i>Gas & Diesel</i>	16
<i>Telephone Systems</i>	30	<i>Steam</i>	**
<i>TV's</i>	24	Printing & Publishing Equipment	(See Newspaper)
<i>VCR's</i>	28	Professional Equipment	
Music Instruments -- Rental	22	<i>Scientific, Doctors, Dentists, Etc.</i>	14
Music Studio Recording Equip.	24	<i>Libraries</i>	12
Music Systems (Background)	24	Propane Tanks	16
		Pulp & Paper Mfg.	**
- N -		- R -	
Neon Signs	19	Radio & Television	
Newspaper M&E		<i>Broadcasting Equipment</i>	19
<i>Press</i>	12	<i>C.A.T.V. (Cable System)</i>	(See C.A.T.V. Equipment)
<i>Photographic</i>	16	<i>Service & Repair Equip.</i>	19
<i>Computer (Production)</i>	24	<i>Towers</i>	12
<i>Other M&E</i>	14	Radio-Telephone Equipment 2-Way	24
Nursing Homes		Railroad Rolling Stock-Private(Except Logging	
<i>Furniture & Fixtures</i>	16	<i>Cars)12</i>	
<i>Mattresses</i>	30	Rental Equipment	
- O -		<i>Costumes</i>	24
Office Equipment		<i>Public U-Rent (Excluding Heavy Equipment)</i>	22
<i>Antiques</i>	(Value at Cost)	<i>Heavy Equipment</i>	(Value by type)
<i>Copy Machines (Purchased)</i>	28	<i>Telephones (Residential)</i>	30
<i>Electric & Electronic Machines</i>	24	<i>Tuxedos</i>	30
<i>Furniture & Fixtures</i>	14	Research & Development M&E	*20
<i>Mailing Machines</i>	20	Restaurants, Soda Fountains & Drive-Ins	19
<i>Safes</i>	10	<i>Walk-in Coolers</i>	12
<i>Sound Systems (Background)</i>	24	Retail Stores	
Oxygen & Acetylene Tanks	10	<i>Fixtures</i>	16
- P -		<i>Office F & F</i>	(See Office Equip.)
P.A. Systems	20	<i>POS Computer Systems</i>	30
Packing & Sorting M&E (Fruit, Vegetable, Etc.)	**	<i>Public Address Systems</i>	20
Paint & Varnish Mfg. M&E	12	<i>Sound Systems (Background)</i>	24
Pallets, Crates, Lugs, Bins, Etc.	18	Rock Crushers	(See Construction)
Petroleum Products		- S -	
<i>Bulk Station Equipment</i>	14	Sawmills	(See Lumber)
<i>Refining</i>	**	Scaffolding (Rental)	22
<i>Service Station Equipment</i>	(See Service Stations)	Search Lights	17
Photography Equipment	16	Service Stations	
Plastic Extrusion M&E	**	<i>Dispensers (Gas)</i>	20
		<i>Equipment</i>	18
		<i>Store F & F</i>	16
		Sewing Equipment	12
		Sewer Construction Equipment	16

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BUSINESS ACTIVITY OR TYPE OF BUSINESS

	Column		Column
Sheet Metal Fabrication (production line)	***	Theater	
Sheet Metal Fabrication (not part of production line)	12	Projection Equipment	16
Shipbuilding	(See Construction)	F&F	17
Shoes & Leather Products Mfg. M&E	8	Tire Recapping	14
Shipyards	(See Construction)	Title Plants	A
Signs		Tuxedo Rentals	30
Bulletin Boards	14	Toilets, Portable	14
Billboards	A		
Electronic	15	- U -	
Neon	19		
Plastic Illuminated	19	Unlicensed Vehicles (Not Subject to Vehicle	
Poster Panels	A	Excise Tax)	16
Ski Areas		Upholstery Equipment	16
Snow Cats & Packers	24		
Tows & Lifts	**	- V -	
Ski Mfg. Equipment	12		
Small Tools - Perishable	24	VCR's	28
Smelting	**	Vending Machines	24
Soft Drink Mfg. M&E (Batch)	14	Video Games	A
Sound Systems (Background)	24	Video Tapes	A
Super Markets		Video Cameras/Camcorder	24
Cash Registers & Scanners	24		
Fixtures & Equipment	16	- W -	
Meat Packing	12		
POS Computer Systems	30	Warehouse Equipment (Including Lifts)	14
Public Address Systems	20	Pallets, Crates, Lugs, Bins, etc.	18
Walk-in Coolers	12	Water Softeners	14
Surveying Equipment	14	Water Systems	12
		Welding Shop Equip.	12
- T -		Well Drilling	16
Tanning Salon Equip.	16	Winery Equipment (production line, incl. Tanks &	
Tavern & Bar Equipment	19	bottling line)	***
Antique Back Bars	(Value at Cost)	Winery Equipment (portable, such as pumps)	14
Television & Radio	(See Radio)	Aging Barrels	A
Telephones		Innerstaves	A
Cellular	30	Wholesale Store	14
Pagers	24	Woodworking Shops M&E	12
Rentals (Commercial & Residential)	30		
Systems (Customer Owned)	30	- X -	
Textile Tent & Awning Mfg. M&E	8	X-Ray Equip. (Other Than Dental)	*12

* -- May Require Special Consideration Due to Functional or Economic Conditions

** -- Use Industrial Valuation Schedule on Entire Plant

*** -- Major Items of Equipment - Use 7.5% M&E Average Industrial Valuation Schedule. The determination to use this schedule requires appraisal judgement from an Appraiser or Auditor, based on the use and Expected Economic Life of the equipment/property. Inspection of M&E is highly recommended when using the Industrial Valuation Schedule.

A -- Use Supplemental Schedule

SUPPLEMENTAL VALUATION SCHEDULE

Revised 4/17/2001

VIDEO GAMES (Apply the following percent good to the untrended historical cost)		
Year 1	Year 2	Year 3
60%	37%	20%

VIDEO TAPES & LASER DISKS
Value at \$9 per tape

WOODEN (Oak) WINE BARRELS AND INNERSTAVES (Reference BTA Docket 54989, 2/1/2001) (Apply the following percent good to the untrended historical cost)					
	Year 1	Year 2	Year 3	Year 4	Year 5 or more
Barrels (purchased for Storage)	55%	25%	15%	8%	5%
Barrels (purchased for flavoring)	Exempt	Exempt	Exempt	Exempt	Exempt
Innerstaves (purchased for flavoring)	Exempt	Exempt	Exempt	Exempt	Exempt

BILLBOARDS & POSTER PANELS	
Type of Sign	Current Replacement Cost Per Lineal Foot
Unlighted	\$130
Externally Lighted	\$163
Internally Lighted	\$312
Above replacement costs include one support structure and one face. Multiple faced signs should be adjusted to eliminate a support structure for each additional face as follows:	
Type of Sign	Deduction From Replacement Cost
Lighted / Unlighted 12 x 25'	\$1,039
Lighted / Unlighted 14 x 48'	\$2,619
Lighted / Unlighted 20 x 60'	\$4,053
Signs smaller than 12 x 25' use 40% of above deduction.	
DEPRECIATION -- 4% straight line per year based on effective age to 20% of replacement cost.	

TITLE PLANTS (Reference PTB 72-14)	
\$2.50 per parcel (as defined)	\$0.15 per recording (as defined)

COMPUTER SOFTWARE
<p>The 1991 Legislature defined computer software and established valuation methods. Custom Software is exempt. For the 2001 assessment year, canned software shall be assessed as illustrated in the following example:</p> <ul style="list-style-type: none"> • Canned software acquired in 2000 shall be valued at 100% of its full acquisition cost. • Canned software acquired in 1999 shall be listed at 100% and valued at 50% of its full acquisition cost. • All software, canned or custom, purchased prior to 1999 is exempt. • Embedded software is taxable and shall be valued as an integral part of the computer system, machinery or equipment in which it is housed, at the established life of the equipment.

TABLE OF 2001 PERSONAL PROPERTY VALUATION INDICATORS

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